

1 Otherwise, we're back to dealing with a 90-year old woman
2 with a stroke that cannot receive the services she needs.
3 Thank you.

4 DON DENNIS: Thank you, Roger. Next, we have
5 Rod Fleck, who is the city attorney/planner for the
6 community of Forks of the approximately 3500 people that
7 live there. Like I said, besides the attorney for Forks
8 Rod is involved in planning for the community and also has
9 been very instrumental on the part of the ICN Project and
10 steering committee. So with that, Rod?

11 ROD FLECK: Thank you, Don. Thank you,
12 Chairwoman Showalter, Commissioner Ness and the ladies
13 from Alaska and Louisiana. I appreciate the opportunity
14 to follow-up with my colleagues. Unfortunately, as an
15 attorney they have done two things to you that you should
16 hold against them. They've put me last and given me the
17 largest block of time, but I have this challenge by
18 Tom that I have to speak very, very quickly which is an
19 occupational side effect of my profession.

20 It's an exciting time in rural America. If you
21 think about it the infrastructure that I rely on was built
22 by my grandparents. Now, I get to build the
23 infrastructure that my daughter's generation, who is four
24 years old, is going to rely on for her education, her
25 occupation, and her recreational needs and her medical

1 needs. Rural America has an opportunity here.

2 As I start out, I want to preface my remarks
3 with the statement that Don has accompanied. We don't get
4 to do this that often to Don. Our community is extremely
5 grateful for Century Tel's creating the relationship that
6 I have the opportunity to describe. Without such a
7 willing industry leader, we would not be at the level we
8 are at today. We are attempting to position ourselves in
9 the midst of the rural technological revolution that is
10 now sweeping across America. Some of my comments are for
11 the benefits of my rural cousins, who are also frantically
12 searching for comparisons in an ever morphing area of this
13 infrastructure revolution.

14 Our project consists of five central partners.
15 Sometimes in-house we refer to this as the gang of four
16 plus Washington State University, who I would never call a
17 gang member, even though I went to the UW, Century Tel,
18 obviously a telecommunications company present in 21
19 states, two million customers. The Quillayute Valley
20 School District is one of the top wired high schools in
21 America.

22 The Forks Community Hospital has been an
23 advocate for making rural health care, world class health
24 care regardless of where you live. The City of Forks, who
25 we have been attempting to provide business opportunities

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1 in a community of about 35 to 45 hundred people that has
2 been radically altered by a natural resources debate,
3 where some of children in John's schools, 59 percent
4 receive free or reduced school lunches.

5 Then we have our friends at Washington State
6 University's energy program, who are a national leader on
7 the issues of associated tel work. I am going to point
8 one other person who has been an ally and a friend from
9 honorable Senator Murray's office, Karen Waters, who has
10 been there sometimes just holding our hands saying, You
11 can do this. You can do this.

12 The school was the leader in this, and they
13 were the ones that made the first wave. They talked to
14 the kids about what was available. The kids came home and
15 told their parents and the parents wanted it, too. Rural
16 Washington, rural America, there is your end to
17 telecommunications.

18 John's project was the first and in our
19 community we had four projects underway, but we hadn't
20 talked to each other. John was working on one. Roger was
21 working on one. The City of Forks was working on a tech
22 center incubator business and here we're looking at
23 actually networking our community to provide cable TV and
24 had received quite a lot of good information from our
25 colleagues at Click TV.

1 What was interesting is there was one common
2 actor in all these plans and that was Don. One day John
3 was talking about how he was talking with Senator Gorton's
4 office and Murray's about his project. I thought it was
5 interesting because we had just talked to them and sooner
6 or later someone was going to ask us when the heck we were
7 going to have a conversation in the same room.

8 We had that conversation and we quickly pulled
9 Roger into the gang, as well as one of my colleagues in
10 the city, talked to John and once that gelled last
11 September the world radically changed in Forks. That's
12 what Don wanted to see. So for colleagues and cousins in
13 rural America you have to be a team. No one entity in
14 your area can do this alone. You do not have the staff,
15 you do not have the time, and the learning curve is too
16 sharp to overcome. Work as a team. You would be amazed
17 at the miracles that you can create for yourself.

18 Don, the minute we came together, said, Now
19 they're ready. We got selected as Century Tel's private
20 rural integrated community network project in the
21 Northwest in this region. They are going to do four of
22 these in each one of their regions. We get to be the
23 first. Our gang of four created a series of core issues.
24 We wanted to create an environment that allowed for
25 business retention and development of new businesses in

1 our rural community that could utilize these new
2 technologies.

3 If we could pull this off we would makes Forks
4 the new rural western town, a different western town than
5 it was five years, 20 or 50 years ago. We also wanted to
6 assure that our residents had access to world class
7 education opportunities, world class medical
8 opportunities, recreational opportunities and not let
9 their zip code limit any of those.

10 We wanted to also put an end to another
11 problem in Forks. We went from exporting trees and fish
12 to exporting one of our most dearest and precious
13 resources, our kids. If we could somehow change that,
14 give them the skills, attract the markets in our
15 community, our kids could become our replacements
16 somewhere down the line. We have a selfish motive here to
17 be truthfully candid.

18 The process to build this community network is
19 an interesting one, and I'm grateful to Century Tel. They
20 went out on a limb. They took on a contact with Nortel
21 and said we would like to utilize Nortel's integrated
22 community network and your expertise, Nortel, in this
23 area. From New Brunswick to Tasmania, from Ottawa to
24 places in the United States, in Maryland, we want try that
25 in Forks. So we're going to try that and it's been used.

1 Others have used this item that I'll call, "If
2 we lace our community with fiber they'll come, really they
3 will." Our philosophy is a little different under the
4 Nortel model. Our philosophy is this: Understand what the
5 issues are in the community. With those issues known and
6 identified figure out what technological applications can
7 applied to address those issues. Once you figure out the
8 application figure out how you can use the technology
9 hardware to provide the application to address those
10 issues and, finally, the committee I get to sit on is the
11 finance committee, which is how are we going to pay for
12 all this in this public-private relationship that we've
13 created.

14 If you think about it, it makes sense because
15 then Don has a market at the end for those services. It's
16 a real crafty way of doing this. It makes sense. It
17 prevents some of the things that's happened in other areas
18 where the fibers stayed dark for decaes or years.

19 We start this community visioning process
20 later this month on the 29th. Roger has been the one
21 blessed or cursed with organizing an event that will bring
22 100 to 150 people from our community, plus what I call the
23 observer and diplomatic core of about 30 to 40 different
24 people ranging from senatorial staff to governor staff to
25 hierarchy in the Century Tel community, as well as folks

1 from Newport, Washington. Places across the state are just
2 going to come and watch because they would like to do this
3 in their community.

4 From there there will be a series of meetings
5 that will follow as we try to morph and create this
6 network, and it's not always going to be easy. In the end,
7 though, we have gone to have a product and Folks is
8 definitely going to be one of those places on the
9 information super highway.

10 Some lessons we've learned so far; first,
11 realize that this is a very sharp learning curve. I went
12 to law school for certain reasons and it was not to become
13 an engineer but I've found in the last six or eight
14 months, I've had to do all those classes that I didn't
15 want to take in college.

16 There's no plateau. I've not found a plateau
17 place where this just levels off and you can coast.
18 Realize that that's one thing you have to deal with.
19 Second, there must be a coalesce team that has informed
20 members with very specific strategies and some of these
21 strategies may be plain bluff. You may come out and say,
22 We are looking at doing a couple of things, and with Don
23 we didn't have to do this because Don was like, Let's
24 play. He was on our team. With other folks we've found
25 that sometimes we have to play the bluff and encourage

1 them in other means to become a member of our team.

2 You may have other strategies. Roger has one
3 for utilizing telemedicine, John has one for education.
4 When you line all those up on the field, it's a powerful
5 force to reckon with. Third, folks need to contact their
6 telecom provider early on. The minute you get the idea,
7 make the phone call. It may take a while to get a
8 response. These folks are busy people as they try to make
9 their infrastructure upgrades, but they are willing almost
10 in all situations to talk to you and figure out how to
11 help.

12 In addition you can always say, Well, we at
13 least tried to call you, when you go off on one of the
14 other strategies. Fourth, some suggestions are stated by
15 federal regulatory agents. They want to consider. As an
16 attorney when you're given free advice I know the value of
17 it.

18 Maybe in future regulatory efforts consider
19 incentives to encourage rewards and participation in these
20 type of community-based efforts. There should be some
21 recognition for the value and time to put it in place.
22 Possibly consider assigning staff at both the state and
23 federal level who know each other and work with each other
24 to be the source of contact for the rural
25 telecommunications visionaries or leaders or folks who got

1 assigned the task and that way there's one place to call.
2 It would make life easier.

3 I was in a meeting for this last week that
4 these gentlemen know about on rural development strategies
5 and there's a little town of Curly, not even a town. It's
6 not even a township. It's a little hamlet. They don't
7 have a government, 200 people, and they're trying to
8 figure out how to deal with their telecommunications
9 challenges. They have staff, unlike my government, who has
10 myself and a few of my colleagues. How are they going to
11 know who to call, what the rules are, and where to go.
12 Some staff folks are very invaluable, I would suggest.

13 Then, also, consider a means of funding the
14 documentation efforts of projects like ours throughout the
15 United States and in this state. One of the concerns I
16 have, Chairwoman, is that we have got a bunch of
17 governments going out and spending a large sum of money in
18 a rural Washington and no one truly documenting what
19 worked, what didn't, what were the roadmaps, what were the
20 stumbling blocks and how did you get over it. We put in
21 for a grant application originally that we had to radically
22 modify when we heard under TOP Program that that would not
23 fundable. We were going to used Washington State
24 University that would document this. They would act as our
25 government leaders to make sure we meet Don's timeline

1 because public sometimes doesn't go on the same timeline
2 as the privates. We tend to be bit slower.

3 Then also figuring out how we could assess, is
4 this making a change? We couldn't get that funded under
5 the TOP's. So we've gone for a business
6 incubator/community use tech center that we will have
7 self-sustaining hopefully when we open the doors. That's
8 the way we look at things in Forks.

9 Rural communities under 20,000 in population
10 are truly for models. Karen Waters and I can talk about
11 that at some length in the break. We are working on a
12 conference in June that kind of piggybacks off some
13 wonderful work that BPA did a year ago that helps address
14 some of these issues. I would hate to see every
15 government have to start from ground zero across the
16 United States.

17 As a policy person that advises the ultimate
18 policy decision makers, there has got to be a better way.
19 So I hope I haven't bored you too much. I managed to save
20 time and I haven't got Tom's flashes. Actually, I did
21 better than I thought. So I think our group is going to
22 offer to answer any questions that the panel may I have of
23 us.

24 DON DENNIS: Thank you, Rod. If it's okay with
25 the Commissioners, there's a couple of people I would like

1 to recognize; Terry Van (phonics), Executive Director of
2 the Washington Independent Telephone is here. Thanks,
3 Terry, for coming and also Dave Danner, who has worked
4 extremely close with all of us from the Governor's office.
5 We appreciate him being here. Thanks.

6 CHAIRWOMAN SHOWALTER: Thank you very much. We
7 have I think about 15 minutes for questions from the panel
8 first.

9 COMMISSIONER NESS: Thank you very much and as
10 long as we are recognizing people in the audience, I also
11 wanted to recognize Peter Schroeder, who's on the staff of
12 Senator Gorton. Senator Gorton is also very much engaged
13 in trying to introduce broad band communications within
14 rural areas and I'm grateful to him for his guidance.

15 My first question, you mentioned, I believe,
16 Don, that about 40 percent of your lines were DSL ready?

17 DON DENNIS: They will be by year end.

18 COMMISSIONER NESS: By year end; okay. Year end
19 is coming faster than we can imagine given digital
20 compression. In any event, assuming 40 percent of your
21 lines are DSL ready and you are operating your own areas,
22 what percentage of your lines are three miles or greater
23 than three miles in length, the loops rather, or do you
24 have a means of using concentrator and then going from the
25 concentrator or the rural?

1 DON DENNIS: I really don't know the answer to
2 that. Our engineers would know that. I can tell you that a
3 great percentage of our customers are located farther than
4 three miles from the central office throughout Washington
5 State. We do use and utilize remote switching
6 tremendously from our host switch, and that has been a
7 practice of our company for several years now. We are
8 working with the vendors in some situations where you put
9 the remote and it does not have a building site to come up
10 with some hard cards that will allow us for DSL service
11 access. We are working very close with the vendor to get
12 that accomplished.

13 COMMISSIONER NESS: So then you can get within
14 two or three miles of the customer and you're able to
15 provide DSL service?

16 DON DENNIS: Absolutely, and that's our plan.

17 COMMISSIONER NESS: Great. Roger, to what
18 extent are you participating in the role of health care
19 universal service funding program and we modified the
20 program over the course of the last two years? I was
21 wondering if you had any comments good or bad about that
22 program?

23 ROGER HARRISON: Are you speaking particularly
24 of Universal Services?

25 COMMISSIONER NESS: Yeah, Universal Service

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1 funding?

2 ROGER HARRISON: It has done very little for
3 us. A large part of that is due to our line charges being
4 granted funded. We are not directly paid. We are already
5 being reimbursed for our line charges and we can't double
6 dip. We'd love to.

7 COMMISSIONER NESS: I was going to ask if you
8 were writing modifications to the program certainly not
9 providing for double dipping. Wouldn't go over too well.

10 ROGER HARRISON: We did apply for some and it
11 was quite a difficult process, I felt, and timely process
12 to find out that I think we've got less than \$100 a month
13 in reductions and we put more than that and time into the
14 application.

15 COMMISSIONER NESS: Indeed, that's one of the
16 reasons why we changed the program after getting that
17 feedback and, indeed, commenting, Rod, on your advice for
18 us to be looking at what works and what doesn't work.
19 That's precisely why we are gathered today and why we are
20 doing these fields hearings so that we can learn from our
21 successes and learn what we need to do, at least as
22 government and private sector to make changes to existing
23 rules so that we can eliminate these impediments to
24 providing these services.

25 ROGER HARRISON: We hope that once our grants

1 run out at the end of next year that we will be able to
2 utilize that much more.

3 COMMISSIONER NESS: Hopefully, we will be much
4 more user friendly by the time you get there.

5 ROGER HARRISON: That would be great.

6 COMMISSIONER NESS: For all of you, are there
7 any other barriers, governmental or regulatory barriers,
8 that inhibit your ability to provide these services in a
9 meaningful way. I know Rod was very articulate in
10 mentioning you have to be able to encourage consortium
11 more, but are there some other things that you can think
12 of that we would be addressing?

13 DON DENNIS: Commissioner Ness, Don Dennis,
14 I've mentioned to Chairwoman Showalter that once we get
15 through this process that our company will be coming to
16 the Washington Commission with some new innovating tariff
17 applications, and that point we'll definitely be sitting
18 down and seeing how they work. Right now that's where we
19 are at as far as the company goes.

20 ROD FLECK: The only thing I would add,
21 Commissioner, is right now there's this explosion of
22 efforts from different agencies to be on the new sizzle
23 (phonics) and the four agencies here, that's your roots,
24 and it would be great to start consolidating some of those
25 efforts under the FCC and UTC and those type of things.

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1 That way we know that we're talking telecommunications we
2 call the Utilities Commission rather than Communications
3 Commission. I starting to see bunch of initiatives
4 advertised or promoted by other entities in other branches
5 of government. So it might be something that would be
6 useful.

7 COMMISSIONER NESS: I would also put in a plug
8 for a rural task force that the Universal Service joint
9 board has ongoing right now, which is taking a look at
10 what we need to do to get universal service and broad band
11 out to rural areas to the extent you are familiar with
12 that and have some thoughts for that group, that body,
13 which is recommending changes to the Universal Service
14 joint board. We would be more than delighted to hear
15 those. That's all the questions I have.

16 CHAIRWOMAN SHOWALTER: Chairwoman Thompson?

17 CHAIRWOMAN THOMPSON: I think Mr. Dennis had
18 another comment.

19 DON DENNIS: I was just actually going to add
20 to something that Rod talked about essentially and that is
21 the importance for all rural communitiies to be able to
22 have the documentation and the roadmap that we are going
23 through today to see the positive and minus aspects of
24 where we're at. So it's extremely important that that
25 occurs. One other thing I wanted to mention that we didn't

1 hit on here is Century Tel, we had a large business
2 complex in Forks and we're offering that to the community
3 for a technical center. I'm giving it them. They're
4 going to utilize it and it's being remodeled as we speak
5 today and they're going to open up for a technical center
6 in the communities.

7 CHAIRWOMAN THOMPSON: I want to understand the
8 economics of this project a little better so that we can
9 figure out how it would apply to other areas. I heard
10 various speakers talk of grant funding, user eight
11 (phonics) monies how much much this was private money and
12 how much was granted to them?

13 DON DENNIS: I think initially Century Tel has
14 put forward several thousand dollars to contract Nortel.
15 If we were to do a business case on this, it wouldn't
16 prove out. There's no way a business case would prove
17 out. What we are hoping to do is to be able to have a
18 success story in Forks, which I truly believe that's going
19 to happen with these folks here the community that are
20 very powerful and they have been able to get other people
21 involved already. I think it will be a success story, and
22 as the future goes on then we'll start to pick up the
23 difference that we've expended here.

24 CHAIRWOMAN THOMPSON: What do you see as a
25 reasonable period of time to expect a turnaround? In other

1 words, if you were to advocate for another community and
2 make the argument that will turnaround in a certain period
3 of, do you have a business plan that says five or 10
4 years?

5 DON DENNIS: I do, but I think I'll let Rod and
6 John talk to that. After we actually started getting the
7 steering committee involved, and these folks are on
8 steering committee, I've kind of backed away from this
9 project. I have my own estimation of what that's going to
10 take. They're closer to it, I'm sure.

11 JOHN JONES: To answer that question, you have
12 to look at our community. How much infrastructure that's
13 already presently available in the schools, hospitals are
14 unique? Our community is unique. The hospital has been
15 very aggressive as well as we have. So that cuts down your
16 timeframe a little bit.

17 If you're walking into a community that
18 doesn't have any of that I think you're looking at a
19 fairly extended timeframe. I think you're looking at five
20 years, I would think, realistically to be able to see
21 getting to the stages where we are. We started groundwork
22 networking process in '92, '93, and we are here in the year
23 2,000 expanding into statewide network and beginning in
24 the interstate kinds of things. Roger has been going at
25 it since '95. So '95, there's a lot of invested structure.

1 We have 2.8 million dollars in research and
2 development and infrastructure building to our Washington
3 virtual classroom. That was all through grant funding.
4 There's an awful lot there. I think that was probably
5 pretty evidence that Century Tel could see there's a track
6 record there. That would be my perspective.

7 Once you have these kinds of things in place,
8 I think Rod has a better feel for what it would take to
9 get ICN introduced.

10 ROD FLECK: We're kind of like the baby
11 younger brother that these two on my side brought to the
12 table and said, Do you want to play? We've only been
13 involved with this in the last two years doing what I call
14 government regulatory looks at how we can effectuate
15 change in other markets. But one thing I do think is real
16 important to point out and I may get in trouble by Don for
17 doing this, but that won't be the first time, is that
18 Century Tel was engaged in massive infrastructure upgrades
19 on our coastal strip, and with that infrastructure upgrade
20 they knew they needed to do switches and fibers and there
21 is a significant dollar amount -- can I say the number?
22 It was a very large dollar amount. I'll let Don send you
23 the press releases on that.

24 That created a foundation with what John was
25 working on and what Roger working on, and what we were

1 trying to look at, and then Century Tel walked in and
2 said, Oh, by the way, here is the new table you all get to
3 play on. It was like a Brunswick pool table all done and
4 ivy and ebony. We had been playing out in the back on
5 something that granddad made, and it was pretty
6 remarkable. They are not just looking at Forks. They are
7 taking this into little hamlets up on the map. That's the
8 first time I've seen Southpaw on a map, but that's one of
9 the areas. Clownbay was another one that has the
10 correctional institution and then down into Clearwater,
11 which has another correctional institution. So pretty
12 much we will have the most wired rural coast line argue in
13 the world in a couple of years.

14 JOHN JONES: May I encourage you to solicit
15 schools. One of the things that I became very well aware
16 of when I presented to the rural telecommunications
17 conference in Wenatchee and Mr. Danner and Mr. Dennis both
18 pulled me aside and talked to me and we began to start
19 talking about this concept is the absence of schools
20 involved.

21 I went to rural telecommunications conference
22 in Aspen, Colorado two years in 1998. Four school
23 districts from around the country were represented in that
24 conference. The absence of the schools in terms of being
25 able to provide leadership to this development is really

1 scarey. I'm telling you it was scarey. I feel like an
2 islands myself. It's kind of nice to be there.

3 COMMISSIONER NESS: Thanks, good comments. I'll
4 take that back.

5 CHAIRWOMAN SHOWALTER: I think we have time for
6 just one more question.

7 COMMISSIONER DIXON: Quickly, because I
8 understand we stand between us and lunch. I just wanted to
9 know that in the distant learning component mostly are you
10 wired to be able to have kids do stuff with homework when
11 they get back into the school, and are you wired to be
12 able to have parents monitor, if they wish to, from their
13 work sites to the classroom to see what's going on?

14 JOHN JONES: The answer to both questions would
15 be yes provided the parents had the capabilities in their
16 work site. That would be the barrier.

17 COMMISSIONER DIXON: You're on-line for that?

18 JOHN JONES: On-line to do almost everything
19 you can imagine with in our school system.

20 COMMISSIONER DIXON: Okay, real quickly on the
21 telemedicine side; what are health information centers?
22 Is there anything I can access to a computer or can I
23 actually go there physically?

24 ROGER HARRISON: I'm not understanding the
25 question, I don't think.

1 COMMISSIONER DIXON: Health information
2 centers?

3 ROGER HARRISON: Health information systems;
4 that's the actual computer system or data base that we
5 have all of our electronic --

6 COMMISSIONER DIXON: I thought I heard you say
7 centers; I'm sorry.

8 ROGER HARRISON: -- patient information,
9 electronic medical records.

10 ROD FLECK: Can I back up, Roger. I sit on the
11 hospital ethics board. It's a wonderful job that I'm the
12 local city attorney. They have also a health information
13 center that you can access some data off the computer.
14 You can walk in and if you had to deal with a living will
15 situation you could watch a video on living wills. If you
16 wanted to research some medical terminology, cancer
17 terminology, things like that, you could walk in and do
18 that. They have a person on staff that could help you find
19 websites and support groups on line, off line in the
20 community. Roger is the technology person, so he makes
21 that happen but that is available in our community and
22 it's well used by a lot folks.

23 CHAIRWOMAN DIXON: Roger, are you finding more
24 doctors come into your area because you have all of this
25 capability or you did this because you don't have the

1 doctors coming?

2 ROGER HARRISON: Let me finish up on his and
3 I'll address that question. We do have the community
4 resource room that is available in public access,
5 computers there with computer and within the next six
6 months more of that will be internet data based and a
7 website that people can get from their home. So that's in
8 the works.

9 As far as doctors, recruitment for doctors
10 it's a huge plus, capabilities that we've put together,
11 not only providing education to them but connections to
12 their colleagues, whether they're across the peninsula or
13 across the country or across the world. They know they
14 are not out there on their own.

15 COMMISSIONER DIXON: This you build it they
16 will come?

17 ROGER HARRISON: It helps.

18 COMMISSIONER DIXON: Thanks.

19 COMMISSIONER NESS: I think your demonstration
20 earlier had the world down there pointing to Forks. I
21 thought that was very good.

22 DON DENNIS: I would like to make one last
23 comment and these gentlemen have given Century Tel and
24 myself a lot of nice comments, but I can assure you that if
25 Forks hadn't been ready to the aspect that they had, I had

1 to physically go down and sell Forks to a variety of
2 vice-presidents and the president level saying these folks
3 are ready, the governor's office is involved in this, and
4 if they hadn't been as far a long they wouldn't have been
5 chose. So these folks deserve a lot of dues.

6 Thank you again for having us here. We
7 appreciate telling the story.

8 JOHN JONES: May I have one quick thing, 10
9 seconds. To the Commissioner from Alaska, I encourage you
10 to look carefully at the technology plan that they are
11 going to present to Senator Stevens' staff for perhaps
12 congressional funding. There is a limitation that I'm
13 afraid that they are overlooking in that they're
14 restricting themselves to just web-based communications
15 and they're not looking at video conferencing
16 capabilities. That alarms me. I think they're missing a
17 tremendous linkaga that is important in creating shared
18 educational resources. That human element is pretty
19 important in education.

20 CHAIRWOMAN SHOWALTER: Thank you so much. For
21 a town of 4500 or so, it's very, very impressive.
22 Steve Cline just walked in the room. When I count around
23 the room it looks to me like about 35 people or so. Can
24 you accomodate that?

25 STEVE CLINE: We certainly can. So we would

1 invite everyone and we would only ask that we allow the
2 Commissioners to get in line first.

3 COMMISSIONER SHOWALTER: Everyone in the room
4 is invited to lunch. It's upstairs. How do we get there,
5 through the back here?

6 STEVE CLINE: The third floor, the main
7 elevator here.

8 COMMISSIONER SHOWALTER: The third floor.
9 That's the good news. The bad news is we don't have much
10 time because we're on such a tight timeline and the
11 Commissioners have to make a plane this evening. So we
12 hope to be back in an hour. We are going to hear from
13 Teledesic during lunch. So try to be prompt. Thanks.

14 (LUNCH BREAK 12:15 P.M.)

15 (TELEDESIC PRESENTATION REPORTED BY
16 DIRECTION)

17 (BACK ON THE RECORD AT 1:15 P.M.)

18 COMMISSIONER NESS: If we could get started
19 again. I also wanted to announce we had joining us at
20 lunchtime Congressman Adam Smith. He sends his regrets
21 that he would have liked to have stayed a little bit
22 longer and but had some pressing interviews this afternoon
23 and appreciated the discussion that has taken place so
24 far.

25 COMMISSIONER SHOWALTER: I think we're going

1 to hear first now from Dan Danner of the Governor's office
2 about some of the efforts that the Governor and the
3 legislature are trying to make for bridging the divide
4 that we have in this state and then we are going to hear
5 more specifically from the Satsop Project, in particular,
6 Chris Preston and Tami Garrow.

7 For your information, Satsop is the site of a
8 mothballed nuclear plant 20 minutes west of Olympia
9 southwest of here, and it's on the edge of the Olympic
10 Peninsula. So it's part of the western portion of the
11 state and rural. Go head, Dave.

12 DAVE DANNER: Okay, thank you. Can everybody
13 hear me?

14 COMMISSIONER SHOWALTER: You have to speak
15 very close to the mic.

16 DAVE DANNER: Thank you, Marilyn. On behalf of
17 Governor Locke, I want to thank you, Commissioner Ness,
18 Chairwoman Thompson and Chairwoman Dixon for coming to our
19 state and hearing our concerns about the digital divide,
20 and, Marilyn, thank you for putting this meeting together
21 and inviting me.

22 Washington State is enjoying unprecedented
23 prosperity. Unemployment is low and incomes are rising,
24 and the economy is strong. Much of our current prosperity
25 due to the hundreds and hundreds of successful high tech